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ASSISTANT SECRETARY ROZANNE L. RIDGWAY'S TESTIMONY
LONG-RANGE NEEDS FOR INTELLIGENCE ANALYSIS ON
SOVIET DEVELOPMENTS
SENATE SELECT COMMITTEE ON INTELLIGENCE
(March 13, 1986)

Mr. Chairman, you have asked me here today to provide a consumer's view of our long-range needs for intelligence analysis on Soviet military, political and economic developments.

Before I address the question of intelligence priorities, let me briefly address the policy priority of the Soviet Union for the United States.

In my responsibilities in the State Department's Bureau of European and Canadian Affairs, there is no higher priority than to preserve and advance the vital American interests entwined in the essentially competitive U.S.-Soviet relationship. That is the President's priority. And the continuing interest of the Congress and the American people indicate that it is a high priority for you and them as well.

We have succeeded in establishing a broad agenda for the U.S.-Soviet relationship, covering the full range of U.S. interests and concerns -- in arms control, in human rights, on regional issues, and in bilateral issues. A framework and a

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process of high level contacts and consultations are now in place. The challenge for the future is to translate the beginning made in Geneva into continuing progress on our agenda.

In order to manage the relationship successfully, in order to have any hope of making progress on our agenda, we must of course understand the Soviet Union -- its strengths, its weaknesses, its priorities and its tactics. The Soviet Union remains the one country with the military capability to destroy us. It is also largely a denied area for Western observation and understanding. For both reasons the Soviet Union must remain a high intelligence priority for both collection and analysis.

For the same reasons, our Embassy in Moscow is among our most critical diplomatic posts abroad. Foreign service reporting is probably my most important source of information on day to day Soviet political and economic developments, and for early spotting and analysis of longer term trends as well.

In-depth understanding from intelligence collection and analysis as well is more important than ever now that we are facing a Soviet Union with an activist and determined younger

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leadership searching for ways to solve domestic economic problems and to expand Soviet influence internationally.

I cannot give you a blue print for making intelligence resource choices between collection and analysis on Soviet developments, and those in other areas of the world also key to U.S. interests. I would note, for example, that Soviet presence and influence is worldwide, and that it is important for the U.S. Government to know about the local causes of instability in the developing world upon which Soviet policy feeds.

As for intelligence collection and analysis on Soviet developments themselves, my impression is that U.S. intelligence is meeting national security policy needs fairly well on assessments of the Soviet military threat, both globally and in terms of specific systems. At the same time, however, our intelligence insights do not in general penetrate back far enough into early stages of Soviet R & D to inform U.S. defense resource planning with the kinds of lead times desirable.

We are not as successful in understanding the significant trends that are shaping Soviet social, economic and political

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choices, or what Soviet elite perceptions of these trends are. Let me try to illustrate what I mean. A lot of good work has been done on Soviet economic trends sector by sector: on energy, infrastructure, investment policy, labor force demographics and the like. Less satisfactory are occasional Intelligence Community efforts to integrate individual economic sector projections into an overall assessment of the Soviet economy that both identifies the critical mass of problems, and predicts the structural choices in economic policy these may require of Soviet leaders. Similarly, intelligence analysis does not understand in any depth Soviet leadership perceptions of what policy changes improved economic performance would require, or how they view the political art of the possible in this regard. We see interesting analysis of economic policy debates reflected in occasional Soviet speeches and articles. We don't see the behind the scenes debate itself, or understand how powerfully it resonates among the Soviet elite. Some of these gaps, of course, are more a matter of the difficulty of human source collection on the Soviet Union than shortcomings in intelligence analysis.

If I could run through the priorities for intelligence on Soviet developments as I see them, I'd ask the Intelligence Community to go on doing what it's doing in the military

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sector. It's vital to the U.S. and Western Alliance defense posture, and it's critical to arms control negotiating strategy and to monitoring Soviet compliance with agreements.

On Soviet political and economic developments, I'd like to see more sophisticated Intelligence Community analysis fusing economic and political trends and policy choices, and also on understanding the new crop of younger experts with whom Gorbachev is staffing the apparatus -- people who will guide Soviet policy in its competition with our values and priorities for many years to come.

Even without better placed human sources, I suspect intelligence analysis of trends and policy choices would be more helpful if it integrated economic and political factors more completely, and if it looked in depth at key oblasts across the Soviet Union in addition to the Moscow center and a few other spots. Key oblasts are sometimes visible microcosms of the political stresses and trends within the CPSU, and some of them are also laboratories for debates on key industrial or agricultural policies.

We also need to look hard at what the Soviets are doing around the world. Soviet foreign policy has the appearance of

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a greater activism under Gorbachev, and we are going to have to be informed as well as agile to deal with it. Here, we have good sources in foreign service reporting as well as intelligence collection, and the premium is on sophisticated analysis. Even in more traditional areas of Soviet influence and activity, in Eastern and Western Europe, Moscow is more energetically than ever trying to tighten ties to its allies and divide ours.

Let me stop there to give you an opportunity to let me know from your questions what additional comments might be helpful.

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